

Community Hospital Task Force Charge November 2007

Vision

Sustainable community hospitals that meet community needs and are supported by a payment system that promotes high-quality and cost-efficient care.

Charge

Using its initial findings on community hospitals, the Community Hospital Task Force will address one of its two earlier recommendations: payment reform. The long-term charge to the Task Force is to recommend changes to health care payment methods used by all payers that realign incentives to promote high-quality and cost-efficient care. The Task Force's first priority is to examine principles for inpatient payment and options for Rhode Island's Medicaid program to implement a case-based inpatient payment methodology based on Medicare. The Task Force will then examine how the recommendations for a case-based inpatient payment method for Rhode Island Medicaid may apply more broadly to other payers.

Background

Between April and July 2007, Governor Carcieri and Lt. Governor Roberts convened the Community Hospital Task Force "to examine the current financial health of community hospitals and recommend reforms that can help ensure the continued delivery of core services to the community." Along with other topics it studied, the Task Force found that a) there is variation across community hospitals in the average costs per inpatient and per outpatient, and b) the major payers in Rhode Island reimburse hospitals using different methodologies and at different levels for like services.

In its final report, one of the Task Force's recommendations to address the systemic factors that are contributing to the community hospitals' weakened financial conditions was:

"Reform payment to encourage efficient and high quality care, being mindful of the goal of affordable health care."

One of the specific actions identified as part of this recommendation was to revise Medicaid payment methodology.

Products

The Task Force's first report will include:

- Recommended principles for all payers to consider when implementing a revised payment methodology for hospitals.
- Analysis of options for implementing a case-based payment methodology for inpatient stays by Rhode Island's Medicaid program.

The report will not include discussion or recommendation of overall Medicaid budget or specific payment levels.

The Task Force will produce a second report that makes recommendations as to how to apply principles developed in the first report to commercial payers' payment methodologies.

Timeline

The Task Force will deliver its report on principles for inpatient payment methods – and specifically as applied to Medicaid – due to the Governor and Lt. Governor and General Assembly by January 10, 2008.

The Task Force will develop a second report to be issued in March 2008.

Committee Membership

- Membership to be comprised of 2 co-chairs and 17 members

Co-chairs

Health Insurance Commissioner, Christopher Koller

Director of Department of Human Services, Gary Alexander

State Government Officials

Director of Health, Dr. David R. Gifford

Hospital

Hospital CEO (Louis Giancola – South County Hospital)

Community Hospital Board Members

Andy Erickson (Kent)

Paul Mooney (Memorial)

Fred Allardyce (Westerly)

Daniel Ryan (St. Joseph's)

Insurance

BCBS CEO or designee (Jim Purcell)

United Healthcare of New England CEO or designee (Stephen Farrell)

Healthcare Provider

RIMS representative (Dr. Alicia Monroe, primary care physician, Memorial)

Primary Care Leadership Council (Dr. Russell Corcoran, South County)

Nursing (Sharon Smith, RN – Board of Nursing, Surgical Nurse, Westerly)

Consumers

Sam Havens

Bernadette Hawes

Business

Herb Gray (RI Business Group on Health)

Legislature

Representative Steven M. Costantino, chairperson, House Committee on Finance

Senator Stephen D. Alves, chairperson, Senate Committee on Finance

Senator Rhoda E. Perry, chairperson, Senate Committee on Health and Human Services